

FISCAL NOTE

Bill #: HB0022

Title: Revise highway speed limit

Primary

Sponsor: Sam Kitzenberg

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$41,889	\$35,739
State Special Revenue	1,750,000	150,000
Revenue:		
General Fund	\$750,905	\$750,905
Net Impact on General Fund Balance:	\$709,016	\$715,166

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

Department of Transportation (DOT)

1. All signs will conform to Montana Uniform Traffic Control Devices (MUTCD) as adopted by the Department of Transportation.
2. The costs are estimated assuming the work will be accomplished by contract through the construction or maintenance programs. Current staffing will be able to handle the additional contract workload.
3. A single sign post is insufficient to carry all of the proposed signing requirements.

4. If HB22 is passed, as introduced, it will necessitate the removal and replacement of 1,512 current speed signs:

Interstate	470 - Speed Limit Signs	94 - Supports	94 - Breakaways
Multi-lane Primary	120 - Speed Limit Signs	120 - Supports	120 - Breakaways
Primary	430 - Speed Limit Signs	430 - Supports	
Secondary - State Maint.	450 - Speed Limit Signs	450 - Supports	
Signs at Boarder Crossings	42 - Speed Limit Signs	84 - Supports	84 - Breakaways

5. If HB22 is passed, as introduced, it will necessitate the placement of 1,470 additional signs and posts to properly sign the truck night speed limit.

Interstate	470 - Speed Limit Signs	470 - Supports	470 - Breakaways
Multi-lane Primary	120 - Speed Limit Signs	120 - Supports	120 - Breakaways
Primary	430 - Speed Limit Signs	430 - Supports	
Secondary - State Maint.	450 - Speed Limit Signs	450 - Supports	

6. The removal and replacement of current signs and additional signs, supports, and breakaway bases are not budgeted in the program base.
7. In addition to the above additional step down and step up speed signing may be required.
8. There will be long term budgetary impacts to maintain the additional 1,470 signs.
9. No costs are included for signing county maintained roads.

Department of Justice

10. It is estimated that 40,000 citations will be issued each year by Montana Highway Patrol (MHP) and an additional 5,000 by other local law enforcement agencies. Approximately 27,000 ($40,000 + 5,000 = 45,000 \times 60\% = 27,000$) will be for \$25 violations of not more than 10 miles per hour over the speed limit and will not be recorded or charged against a driver's record. Therefore, it is estimated that 18,000 additional/new citations will be recorded on drivers' records due to passage of this bill. ($45,000 - 27,000 = 18,000$ additional citations).
11. Based upon historical data, approximately 5% of all citations entered on a driver's record result in a driver improvement action (warning letter or suspension/revocation of driving privileges). Therefore, it is estimated that passage of this bill will add 900 new driver improvement actions to the existing workload. ($45,000 - 27,000 = 18,000 \times 5\% = 900$ new driver improvement actions).
12. An FTE can enter one citation in four minutes, approximately 18,000 citations are expected if this bill passes; therefore 0.58 FTE is required in the Motor Vehicle Division to enter the citations on the drivers records. ($18,000 \text{ citations} \times 4 \text{ minutes} / 60 \text{ minutes per hour} = 1,200 \text{ hours} / 2,080 \text{ hours per FTE} = 0.58 \text{ FTE}$). Additionally, an FTE can process 850 driver improvement actions per year, an estimated 900 new driver improvement actions per year will result from passage of this bill. Therefore, 1.06 FTE is required. ($900 \text{ new actions} / 850 \text{ actions per year per FTE} = 1.06 \text{ FTE}$)
13. It will be necessary to contract for programming with an outside vendor since programming staff is committed to complying with Y2K needs. The contract for programming will increase operating expenses and is estimated at \$300 for FY 2000. ($4 \text{ hours} \times \$75/\text{hour} = \300)
14. Increased annual operating expenses (including network attachment, mainframe computer processing costs, and supplies) are estimated at \$2,709. Additional one-time operating costs (new employee office packages, new computers, and new mainframe connections x 2) are estimated at \$5,850 for FY 2000.
2. If the bill passes as introduced:
- a. It is estimated that 45,000 citations will be issued each year (40,000 by MHP and 5,000 by other local law enforcement agencies). Based on the penalty section of the bill, revenue generated will be:

1. 27,000 or 60% will be for \$25 violations of not more than 10 miles per hour over the speed limit for revenue of \$675,000.
 2. 9,000 or 20% will be for \$40 violations between 11 and 15 miles per hour over the speed limit for revenue of \$360,000.
 3. 4,500 or 10% will be for \$55 violations between 16 and 20 miles per hour over the speed limit for revenue of \$247,500.
 4. 2,250 or 5% will be for \$75 violations between 21 and 25 miles per hour over the speed limit for revenue of \$168,570.
 5. 2,250 or 5% will be for \$100 violations for driving 26 or more miles per hour over the speed limit for revenue of \$225,000.
 6. Total annual revenue from penalty section is estimated to be \$1,676,250.
- b. MHP issued an estimated 5,492 basic rule citations in 1998, for approximately \$384,440 in fines. MHP assumes that the number of basic rule citations will revert back to the pre 8 December 1995 repeal level of 3,000 citations and revenue of \$210,000.

Basic Rule 1998 of \$384,440 minus Basic Rule 1995 of \$210,000 = \$174,440 reduction.

MHP assumes that new Basic Rule language in the proposed speed limit bill will be acceptable to the Montana Supreme Court. Therefore that tool will still be used for vehicle crash enforcement.

- c. Therefore, based on (a) and (b), estimated revenue of \$1,676,250 less the reduction of Basic Rule of \$174,440 results in estimated new revenue of \$1,501,810 per year.
- d. 50% of the revenue generated goes to local governments and 50% goes to the state general fund.
\$1,501,810 total estimated new revenue x 50% = \$750,905 new state general fund revenue.

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Department of Transportation:		
<u>Expenditures:</u>		
Operating Expenses	\$1,750,000	\$150,000
<u>Funding:</u>		
State Special Revenue (02)	\$1,750,000	\$150,000
<u>Net Impact on Fund Balance (Revenues minus Expenditures):</u>		
State Special Revenue (02)	(\$1,750,000)	(\$150,000)
Department of Justice:		
FTE	1.64	1.64
<u>Expenditures:</u>		
Personal Services	\$33,030	\$33,030
Operating Expenses	8,859	2,709
TOTAL	\$41,889	\$35,739

Funding:

General Fund (01)	\$41,889	\$35,739
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Revenues:

General Fund (01)	\$750,905	\$750,905
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Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	\$709,016	\$715,166
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EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Secondary and local roadways would require appropriate speed limit signing. Each county would have to fund the cost of removal and replacement of current or any additional signing.

Local governments will receive 50% or \$750,905 of the \$1,501,810 new revenues generated.

LONG-RANGE IMPACTS:

The DOT will maintain an additional 1,470 truck speed limit signs if HB22 is passed as introduced. FY 2001 expenditures are based on having to replace 10% of the additional signs per year due to accident damage and/or vandalism.